

and 58 percent of 80 percent of the ASC payment rate net of de- ductible: 58% (80% \$585)	\$271
Total	\$477

In the first illustration, the hospital charged \$1,000 and received a total payment of \$702. If the hospital merely increases its charges to \$1,300, it will receive \$737. As the example shows, for a hospital that is paid based on the blend, the more it charges, the more its total payment (beneficiary plus Medicare program payment) will be. As a result, the current payment system gives an incentive for hospitals to increase charges.

(Note: In order to simplify the examples in this section, the blended payment method is shown as it would apply to an individual procedure. In determining actual payments to hospitals, however, the blended payment calculation is applied in the aggregate to all of the ASC approved procedures a hospital performed during a cost reporting period, not on a procedure-by-procedure basis.)

The same situation exists under the current blended payment methods for hospital outpatient radiology and other diagnostic services. We estimate that the magnitude of the formula-driven overpayment that occurs under the blended payment method to be over \$950 million in Medicare program payments to hospitals in 1993—approximately 14.8 percent of total payments for these services. This total includes \$350 million for ASC approved surgeries and \$600 million for radiology and other diagnostic services, respectively. For surgical procedures, this represents 10.8 percent of total payments to hospitals and 20 percent of Program payments to hospitals for these outpatient services. For radiology, the formula-driven overpayment represents 19 percent of total payments to hospitals and 38.7 percent of Program payments. By FY 2001, we estimate the formula-driven overpayment for surgery, radiology and other diagnostic services to be \$6.7 billion.

We believe that these formula-driven overpayments were not intended by the Congress. If Congress chooses to address this issue, it could be enacted either as a separate change or as part of a prospective payment system for outpatient services. It should be pointed out that, if a prospective payment method for outpatient surgery, radiology and other diagnostic procedures is adopted, this change would automatically occur for those services. Indeed, we recommend that the prospective rates be set so that aggregate payments to hospitals for these services are no higher than current law payments net of the total amount of the formula-driven overpayment.

TRIBUTE TO JOHN MOONEY

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1997

Mr. LIPINSKI. Mr. Speaker, I pay tribute today to an outstanding individual who represents hundreds of thousands of Americans who participated in the battle that was the beginning of the end of Nazi Germany—the invasion of Normandy.

Mr. Mooney, who served in the 2d Armored Cavalry Division, was part of the wave of brave Allied soldiers that stormed the beaches and cliffs overlooking the English Channel on

June 6, 1944. Even after the Allies established a beachhead, it took more than 2 months of fierce fighting before the risk of the Germans reversing the invasion had ended.

During the last 3 years, Mr. Mooney and thousands of his comrades have been honored by the Regional Council of Normandy with the Medaille de Jubile, a decoration commemorating the 50th anniversary of the Battle of Normandy and the beginning of the liberation of Europe.

Mr. Speaker, I would like to remind our fellow members and all freedom loving people in America and the world of the debt of gratitude we owe Mr. Mooney and the heroic soldiers, sailors and airmen whose efforts at Normandy marked the beginning of the end of Nazi tyranny.

HONORING DR. MENASCHE-
LANIADO

HON. ELIZABETH FURSE

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1997

Ms. FURSE. Mr. Speaker, I rise today to recognize a very special woman who provides dental care for Soviet Union students who are participants in the programs created from the Freedom Support Act.

It is an unfortunate reality that these students arrive in our country with staggering dental problems. Dr. Sandra Menasche-Laniado of Portland, OR, has quietly taken it upon herself to provide the vital care that these students require, asking for no monetary compensation.

As an example of her incredible unselfishness, she currently is treating one young lady whose dental treatment will come to the staggering total of \$3,780.

Dr. Menasche-Laniado is truly the essence of one person making a difference. She points the way in demonstrating the virtue of compassion and turning this compassion onto a path of positive, meaningful action. I applaud her work, and I am privileged to have this opportunity to recognize Dr. Menasche-Laniado before this body.

CELEBRATING A CENTURY OF
INTEGRITY

HON. NITA M. LOWEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1997

Mrs. LOWEY. Mr. Speaker, my distinguished colleagues, I rise today to call your attention to an important centennial anniversary that occurred in New York State last month.

On January 28, the New York State Society of Certified Public Accountants celebrated 100 years of distinguished service to the public.

In fact, the society is the oldest State professional accounting association in the Nation.

The founding members established the society to facilitate and support the establishment of the New York State CPA licensing law, the first such law in the United States.

The New York State Society of Certified Public Accountants represents the CPA profession, which was created to maintain the integrity of our Nation's capital markets.

The society has continuously served its members for 100 years by providing educational and professional information to enable them to better serve the public interest. Its code of conduct provides the framework for the highest ethical behavior and professionalism issues to protect the public interest.

The committees of the society have assisted state, local, and Federal regulators and other government groups in the discharge of their oversight of financial reporting, soundness, and integrity.

Please join me in wishing congratulations to the New York State Society of CPA's on its 100th anniversary.

INTRODUCTION OF THE MEDICARE
HOSPICE BENEFIT AMENDMENTS
OF 1997

HON. BENJAMIN L. CARDIN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 4, 1997

Mr. CARDIN. Mr. Speaker, I rise today with my colleague, ROB PORTMAN, and more than 50 additional colleagues to introduce the Medicare Hospice Benefit Amendments of 1997. This legislation will make technical changes and clarifications to improve the Medicare hospice benefit. This is a noncontroversial bill that has true bipartisan support and should be included as part of Medicare reform this year.

Hospice care is a vital Medicare benefit. It is a coordinated program of palliative medicine and supportive services provided mainly in the home but also in home-like settings that provides for physical, psychological, social, and spiritual care for dying persons and their families. Services are provided by a medically directed, interdisciplinary team of professionals and volunteers. Hospice recognizes dying as part of the normal process of living and focuses on maintaining the quality of remaining life. Hospice affirms life and neither hastens nor postpones death.

The concept of hospice care emerged in this country in response to the unmet needs of dying patients and their families for whom traditional medical care was no longer effective, appropriate, or desired. Hospice has become an effective alternative to there being "nothing else to do." The Nation's hospice programs currently provide compassionate care to more than 390,000 patients and families each year. In 1994, one out of every three people who died from cancer or AIDS were cared for by hospice. Terminally ill Medicare patients who elect hospice opt out of most other Medicare services related to their terminal illness and instead receive all of their care through the hospice program.

Hospice is not only a compassionate and appropriate form of care for terminally ill individuals, it is also cost effective. A 1994 Lewin study comparing the relative cost of hospice care to conventional care for Medicare beneficiaries with cancer, found that for every dollar Medicare spent on hospice patients, it saved \$1.52 in Medicare part A and B expenditures. Based on these findings, the growth and greater utilization of hospice care should be viewed in a positive light and should be encouraged.

The Medicare hospice benefit was adopted by Congress 1982. Since then, more and